

Oregon

Theodore R. Kulongoski, Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2524

Phone: (503) 373-0050

First Floor/Costal Fax: (503) 378-6033

Second Floor/Director's Office: (503) 378-5518

Web Address: <http://www.oregon.gov/LCD>



November 8, 2006

Ed Gormley, Mayor
City of McMinnville
230 N.E. 2nd Street
McMinnville, OR 97128

Subject: LCDC Approval of Periodic Review Task 1 and UGB (Order 06-WKTASK-001709)

Dear Mayor Gormley,

I am pleased to inform you that the Land Conservation and Development Commission has approved the City of McMinnville's Periodic Review Task 1 and urban growth boundary amendment submittal. The approval order finalizing this decision is enclosed.

Judicial review of this order may be obtained by filing a petition for review within 60 days from the service of this final order, pursuant to ORS 183.482 and 197.650.

We appreciate the efforts of the City of McMinnville in completing this periodic review task. Please contact Jason Locke, your regional representative, at (503) 373-0050 extension 289, if you have any questions or need further assistance.

Yours truly,

Rob Hallyburton
Planning Services Division Manager

cc: Doug Montgomery, Planning Director
Ron Pomeroy, City Planner
Michael Brandt, Yamhill County Planning Director
Marilyn Reeves, Friends of Yamhill County
Sid Friedman, 1000 Friends of Oregon
Mary Kyle McCurdy, 1000 Friends of Oregon
Mark Davis
David Devine
Jon Englebrecht
Leon Laptook
Larry French, DLCD Periodic Review Specialist
Darren Nichols, Community Services Division Manager (e-mail)
Jason Locke, Regional Representative (e-mail)
Periodic Review Assistance Team (e-mail)



Item No.

2

Page

5



**BEFORE THE
LAND CONSERVATION AND DEVELOPMENT COMMISSION
OF THE STATE OF OREGON**

IN THE MATTER OF PERIODIC REVIEW)	APPROVAL
TASK 1 AND THE AMENDMENT OF)	ORDER
THE URBAN GROWTH BOUNDARY)	06-WKTASK-001709
FOR THE CITY OF MCMINNVILLE)	

This matter came before the Land Conservation and Development Commission (Commission) on September 12, 2006 as an appeal of a department approval of a completed periodic review work task and an urban growth boundary (UGB) amendment. The City of McMinnville (city) submitted Task 1, "Inventory of Commercial Lands", of its approved work program to the Department of Land Conservation and Development (department) for review pursuant to ORS 197.633 and OAR chapter 660, division 025. The city also submitted the amendment of its UGB to the department for review pursuant to ORS 197.626 and OAR 660-025-0175. The Commission partially approved and partially remanded the submittal on December 6, 2004 by order 04-WKTASK-001645. In response to the remand, the city submitted Ordinances 4840 and 4841. The director of the department approved the submittals by order 001696. An appeal of the director's decision was filed with the department on June 22, 2006. The Commission, having fully considered the written record listed in Attachment A, including the city's Task 1 and UGB amendment submittal, and the oral presentations of the parties, the city, and the department, now enters the following findings, conclusions, and order:

Recitals

1. On January 31, 2006, the department received Ordinance 4840 and 4841 from the city in response to partial approval and remand order 04-WKTASK-001645. The department considered the submittal complete on January 31, 2006.
2. On January 23, 2006, an objection was received from Mark Davis. On February 3 and February 17, 2006, objections were received by the department from 1000 Friends of Oregon, Friends of Yamhill County, and Ilsa Perse. The objections were timely filed.
3. On May 31, 2006, the department approved Task 1 and the UGB amendment by order 001696 and notified the city and the objectors.

4. On June 22, 2006, the department received an appeal of order 001696 from 1000 Friends of Oregon, Friends of Yamhill County, and Ilse Perse.
5. On September 12, 2006, the Commission held a hearing on the appeal of the director's approval of a completed periodic review work task and an UGB amendment.
6. During the course of the September 12, 2006 hearing, the city requested that it be allowed to amend its periodic review work program to add Task 4, the rezoning of the West Hills and West 2nd St. areas from R-1 to R-2.

Conclusion

7. Based on the foregoing recitals, the findings and conclusions contained in Attachment B, and the record of this matter, the Commission hereby approves the city's Task 1 and UGB amendment submittal, pursuant to OAR 660-025-0150 and 660-025-0160, and approves the city's request to amend its periodic review work program to add Task 4, the rezoning of the West Hills and West 2nd St. areas from R-1 to R-2, as listed in the Order below.

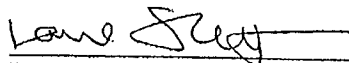
Order

THEREFORE, IT IS ORDERED THAT:

1. The city's UGB amendment is approved as illustrated in Figure 6 (Exhibit B) of Ordinance 4841.
2. Periodic Review Task 1, Inventory of Commercial Lands, is approved.
3. The city shall request that its periodic review work program be amended to include Task 4: rezoning 204 acres in the West Hills and West 2nd St. areas from R-1 to R-2 at the time of completion of the Transportation System Plan (Task 2 of the city's periodic review work program).

DATED THIS 8th DAY OF NOVEMBER, 2006.

FOR THE COMMISSION:



Lane Shetterly, Director
Oregon Department of Land
Conservation and Development

NOTE: You may be entitled to judicial review of this order. Judicial review may be obtained by filing a petition for review within 60 days from the service of this final order. Judicial review is pursuant to the provision of ORS 183.482 and 197.650.

Copies of all documents referenced in this order are available for review at the department's office in Salem.

Attachment A
McMinnville Record

- The contents of list titled "The Written Record for this Proceeding" from April 2004 DLCD Referral Report, Attachment K- Statement of the Record.
- March 30, 2004 DLCD Referral Report
- April 20, 2004 DLCD Referral Report
- LCDC Partial Approval and Remand Order (001646), Dec. 6, 2004
- DLCD Advisory Comments for Proposed MGMUP Amendments (not formally submitted to DLCD), May 16, 2005. *These amendments were subsequently submitted to DLCD as drafts on Oct. 14, 2005.*
- DLCD Partial Approval Order (001661) rezoning specific parcels, April 21, 2005.
- DLCD Approval Order (001681) re: 42-acre UGB expansion for a high school site, October 4, 2005.
- McMinnville Draft Amendments to the MGMUP, October 14, 2005.
- DLCD Advisory Comments on MGMUP amendments, Dec. 5, 2005.
- McMinnville MGMUP amendments, Ordinance 4840, submitted Jan. 17, 2006.
- McMinnville MGMUP amendments, Ordinance 4841, submitted Jan. 30, 2006.
- Objection from Mark Davis dated Jan. 23, 2006.
- Objections from 1000 Friends, Friends of Yamhill County and Ilse Perse dated February 3, 2006
- Objections from 1000 Friends, Friends of Yamhill County and Ilse Perse dated February 17, 2006
- DLCD Approval Order (001696) dated May 31, 2006
- 1000 Friends appeal of DLCD Approval Order 001696 dated June 22, 2006
- DLCD director's report to LCDC dated August 23, 2006
- 1000 Friends exceptions to the director's report dated September 5, 2006
- LCDC Order 06-WKTSK-001709 dated November 8, 2006

€

Attachment B

LCDC FINDINGS OF FACT AND CONCLUSIONS

I. BACKGROUND AND DESCRIPTION OF TASK SUBMITTAL

Task 1, Inventory of Commercial Lands, is part of a periodic review work program approved by the department on August 26, 1994. The city submitted its original Task 1 product to the department on October 17, 2003. The matter came before the Land Conservation and Development Commission (LCDC, or "the Commission") on April 22 and September 10, 2004, as a referral of the completed task and UGB amendment. The Commission issued a partial approval and remand order on December 3, 2004.

A. Summary of Commission Approvals

The items approved by the Commission at that time are summarized below:

- Population Forecast: 44,055 in 2023
- Persons per household : 2.54
- Residential Lands Needs Analysis, including the buildable lands inventory, R-2 zoning, and government assisted and farmworker housing, but not including park needs.
- UGB expansion for the following exception areas: Riverside South, Fox Ridge Road, and Redmond Hill.
- The following rezonings in MGMUP: parcel ID nos. 7, 9, 10, 15, 16, 19, and 20.

Subsequent to the Commission order, the following three actions related to this submittal have been approved by the city:

- City of McMinnville's Periodic Review Task 1 partial submittal regarding parcels 4, 5, and 6 (the "Brickyard properties") and amendment of a typographical error found in section (f)(13) of city Ordinance 4769 (approved by DLCD Order 001661).
- Three Mile Lane UGB expansion via post-acknowledgment plan amendment (DLCD file no. 001-04): 35 acres for parking/additional buildings at airport museum site (no DLCD action).
- UGB expansion on west side: 42 acres for new high school (approved by DLCD Order 001681).

B. Summary of New Submittals (City of McMinnville Ordinances 4840 and 4841)

The city submitted Ordinance 4840 to the department on January 17, 2006, and Ordinance 4841 on January 31, 2006. The first submittal contained amendments that did

not require concurrence from Yamhill County, while the second included the county's approval. For the purpose of department review, the submittal was considered complete upon the receipt of Ordinance 4841 on January 31, 2006. The submittal concerns McMinnville Periodic Review Task 1 and the accompanying UGB amendment and McMinnville Growth Management and Urbanization Plan (MGMUP), Economic Opportunities Analysis, and Buildable Lands Inventory, as amended. The amendments listed below are in response to LCDC and DLCD staff comments and concerns prior to and during the 2004 Commission proceedings.

1. ***Transit corridor enhancement policy:*** The city has expanded the transit corridor width to one-half mile, as recommended by the department. In addition, the city has identified three additional properties that may be redeveloped to higher densities.
2. ***Residential density within Neighborhood Activity Centers (NACs):*** The city has amended the density requirements in each of the four NACs to state that the "Residential density of this neighborhood is a *minimum of 7.5 dwelling units per acre.*" This replaces the previous language that stated 7.5 units per acre was a "target" density.
3. ***Residential density definitions:*** The city made changes to the definitions of high- and medium-density that are implemented through the McMinnville zoning ordinance. The changes remove specific housing types from the definitions in the medium-density zone, but retain locational and transportation criteria.
4. ***Amendment of NAC illustrative plans:*** The city removed the illustrative NAC plans in order to remove internal inconsistencies related to density and the arrangement of land uses.
5. ***Rezoning of certain properties:*** The city has elected to reverse the remaining rezonings contained in Table 73 and zone parcels 1-3, 8, 11-14, 17, and 18 with their original designations (Ord. 4840, pp. 5-6).
6. ***Accessory Dwelling Units (ADUs) and residential density:*** ADUs are permitted in all four residential zones. In addition, density requirements do not apply to ADUs.
7. ***Amendments to the C-1 zone:*** The city deleted the 30-foot front-yard setback requirement and lot coverage requirements as suggested by DLCD.
8. ***R-4 and R-5 zone design standards:*** The zoning for the R-4 and R-5 zones contained standards that were not clear and objective, specifically related to façade design and buffering. The city removed those standards.
9. ***West McMinnville residential density policy:*** The city clarified the policy limiting density to six units per acre on the west side, but excluded the transit corridors and areas within one-quarter mile of neighborhood and general commercial shopping areas.
10. ***Reduction of buildable lands needs for parks:*** The city proposed a policy that requires new community parks to be located outside the 100-year floodplain, and has not changed the number of acres for park needs.

11. *Removal of floodplain lands from the 2004 UGB proposal:* The city has removed the floodplain land in the Three Mile Lane, Norton Lane, and Grandhaven subareas from the UGB proposal.

12. *Removal of floor area ratio for commercial land need analysis:* The city has removed all references to floor area ratios from the commercial land need analysis.

II. ANALYSIS

The Commission's decision concerning the original Task 1 and UGB amendment submittal included a list of matters that arose as objections that the department recommended the Commission uphold. These are each addressed below.

1. *Needs Analysis.* The Commission remanded the submittal for reconsideration of the land need for residential, commercial, and office uses and to address the following tasks:

- a. Amend the population forecast, based on a constant population for the county unincorporated area, or provide substantial evidence to demonstrate that county unincorporated population can be expected to decline in the next twenty years. *The population forecast was approved by the Commission.*
- b. Amend the Housing Needs Analysis employ the year 2000 household size of 2.66 persons per household or justify why this factor should be reduced to 2.54. *The Housing Needs Analysis was approved by the Commission.*
- c. Amend the Housing Needs Analysis to accommodate a portion of the housing need on redeveloped land in the R-2 zone, based on available information on development which has actually occurred. *The Housing Needs Analysis was approved by the Commission.*
- d. Amend the Housing Needs Analysis to project the type and density of government assisted housing and farmworker housing that will be needed, including multifamily; reevaluate the planned ratio of single family to multiple family units; and ensure that sufficient land is planned in each residential zone to accommodate the need. *The Housing Needs Analysis was approved by the Commission.*
- e. Amend the Economic Opportunities Analysis and land need for commercial and office use to substantially increase the planned efficiency in the use of land and to plan for types of development that is pedestrian-friendly and transit oriented development.

Findings: With this submittal, the city has revised its Economic Opportunities Analysis (Ord. 4840, Exhibit B) to demonstrate that the actual employee/acre ratios are substantially lower than previously indicated in the MGMUP. Actual ratios are 18.4 employees/net acre for commercial and 3.6 employees/net acre for industrial

(Ord. 4840, Exhibit B, Table 4). The city found that the use of the proposed employee/acre ratios will encourage future commercial and industrial development to occur at higher densities. Additionally, the city found that approximately 18 percent of future employment will be accommodated through existing expansions or redevelopment of existing sites (Ord. 4840, Exhibit B, p. 5, tables 6-2 and 6-3). Therefore, the overall need for vacant land has been reduced. As to pedestrian-friendly and transit-oriented development, the city provided for these through the establishment of the NACs and associated plan policies and implementing ordinances.

- f. Reduce the planned need for buildable land for community parks to account for information on the portion of these parks that has actually occurred within the 100-year floodplain and the potential for sharing park facilities with the school district and Linfield College.

Findings: The city found that three community parks have lands within the 100-year floodplain, of which approximately 52 percent of the total land area is constrained by floodplain. Furthermore, the city found that it is fiscally unsound, environmentally irresponsible, and not in the best interests of its citizens to locate future community parks in the floodplain. Additionally, the city found that planned parks may not be located near floodplains due to the projected direction and location of future growth. The city adopted a new plan policy (Ord. 4840, p. 4) that states future community and neighborhood parks shall be located above the boundary of the 100-year floodplain. The city also made findings related to the sharing of facilities with the school district and Linfield College, noting that the school district's needs differ from the city's park needs, and that the location of the Linfield College facilities are in an area of the city that is already served by other parks (4840, pp. 10-11).

- g. Delete the unbuildable floodplain portions of the Three Mile Lane and Norton Lane areas or justify the need for these lands or urban uses under Goal 14, Factors 1 and 2. The city removed these areas (Ord. 4841, p. 2).

2. **UGB Location.** The Commission remand included elements relating to which lands are to be included in the UGB, including the following tasks:

- a. If the revised land needs analysis results in a decrease in the 20-year land need, remove a corresponding amount of land from the UGB, starting with resource land, according to the priorities in ORS 197.298. *Findings: The city determined that a revised land need analysis was not necessary, nor was there a decrease in the 20-year land need.*
- b. Using maps provided by the Natural Resource Conservation Service and the Oregon Department of Agriculture, identify areas with Class III and IV agricultural soils and either (1) include them in the UGB instead of areas with Class I and II soils, if any, or (2) explain why they should not be included based on the standards in ORS 197.298(3). Areas with Class III and IV soils east of the airport are excluded from this requirement. *Findings: See 1000 Friends Objection 11, below.*

3. **Implementation.** The Commission remanded the submittal for the city to address plan and related implementing regulations, including the rezonings in Table 73 of the findings document, to make them internally consistent, consistent with the findings used to justify the UGB amendment, and to comply with applicable goal requirements, including the following tasks:

- a. Develop a program that will achieve 10 dwelling units per acre within transit corridors by identifying additional vacant, underdeveloped, and redevelopable parcels that may be suitable for medium- and high-density housing within this half-mile corridor.

Finding: The city addressed this issue in Ord. 4840 (pp. 7-8) and has found that the 10 dwelling units per acre standard cannot be met. The city has identified, but not rezoned, parcels suitable for higher density housing (Ord. 4840, p. 3, Table 9). The city proposes to consider these rezonings as part of their Transportation System Plan process.

- b. Rezone those parcels identified as suitable for medium- and high-density housing in order to implement the plan.

Finding: The city has identified, but not rezoned, parcels suitable for higher density housing (Ord. 4840, p. 3, Table 9). The city proposes to consider these rezonings as part of their Transportation System Plan.

- c. Amend the NAC policies to clarify the target of 7.5 dwelling units per net acre is a minimum but that higher overall densities will be allowed. *This has been completed (Ord. 4841, p. 4).*
- d. Revise the definitions of low-, medium- and high-density residential development to ensure the comprehensive plan, policies, and implementing ordinances are internally consistent and consistent with regard to minimum lot sizes and the types of residential products found in the city. *This has been completed (Ord. 4841, p. 4).*
- e. Amend the illustrative plans for the Northwest, Grandhaven, and Three Mile Lane NACs in order to make these illustrative plans internally consistent with the plan policies. *This has been completed by removing the illustrations (Ord. 4841, p. 3).*
- f. Conduct an analysis to determine the traffic impacts of the rezonings in Table 73 and include findings to address OAR 660-012-060 or complete such an analysis in a transportation systems plan.

Finding: The city elected to delete the rezonings referred to in this item and rezone to the original designations for parcels 1-3, 8, 11-14, 17, and 18 (Ord. 4840, pp. 5-6).

- g. Amend Ordinance 4796 to remedy a typographical error and to rezone and apply development restrictions to Parcel 13.

Finding: The city fixed the typographical error. As to Parcel 13, the city determined that the rezoning of this parcel will occur at a later time in conjunction with the Transportation System Plan.

- h. Amend all residential zones to clearly state the minimum lot size for a lot with an accessory dwelling unit.

Finding: This has been completed. The city permits ADUs in their residential zones while stating that they do not count toward the density requirement (Ord. 4796).

- i. Amend the C-1 zone to eliminate or substantially increase the 0.25 commercial floor area ratio limitation. *The city eliminated this provision (Ord. 4840, p. 5).*
- j. Amend the C-1 zone to substantially reduce or eliminate the required 30-foot front yard setback. *The city removed this provision (Ord. 4840, p. 5).*
- k. Amend the R-5 zone to provide clear and objective standards for required design features on exterior elevations of buildings. *The city completed this provision (Ord. 4840, p. 5).*
- m. Amend the R-4 zone to provide clear and objective standards for buffering multiple family from adjacent single-family housing. *The city completed this provision (Ord. 4840, p. 5).*
- n. Adopt a policy to (1) complete the "concept planning" process for NACs over the 20-year planning period and (2) require the concept plans to demonstrate that the increased traffic resulting from the proposed uses can be accommodated. Amend the NAC Planned Development Ordinance to (1) delete the requirement in Section 5.C to apply the Planned Development process to zone changes and land divisions and (2) add a requirement to include a traffic analysis, which may be satisfied through the adoption of a TSP. *The city completed these (Ord. 4841, p. 3)*
- o. Amend Policy 71.01 to indicate that densities higher than six units per acre are allowed within one-quarter mile of transit routes. *The city completed this amendment (4840, p. 3).*
- p. Amend the illustrative plans so that the NAC Support Areas consist of high- and medium-density designations. Alternately, amend Policy 188.00(4) to be consistent with the illustrative plans. *The city removed the illustrations and revised the policy (Ord. 4841, p. 3).*
- q. Amend Policy 188.03 to provide clear guidelines that do not limit high-density housing from being a maximum distance of one-eighth mile (660 feet) from the edge of a Focus Area.

Finding: The policy states that high-density housing should not radiate out further than one-eighth mile from the edge of a focus area. This does not preclude the

location of high-density housing further than one-eighth mile from the edge of the focus area. (See also 1000 Friends' Objection 4.)

III. OBJECTIONS RECEIVED AND COMMISSION RESPONSES

The department received two letters of objection, one from Sid Friedman on behalf of 1000 Friends of Oregon, Friends of Yamhill County, and Ilsa Pearse, and one from Mark Davis. The objections were timely, and described the objector's participation in the local process, which included written testimony at the city's hearing.

The objections filed by 1000 Friends of Oregon relate to a wide array of issues contained in McMinnville's submission of Task 1 and UGB amendment. The objection identifies alleged deficiencies in the submittal and suggests revisions to resolve the objections. This is a valid objection under OAR 660-025-0140(2).

The objection filed by Mark Davis relates to the provision of park land as part of McMinnville's UGB amendment. The objection identifies alleged deficiencies in the submittal and suggests revisions to resolve the objection. This is a valid objection under OAR 660-025-0140(2).

A. 1000 Friends Objections

Objection 1: the city's zoning and regulations fail to implement zone changes that form a basis for the plan. Specifically, 1000 Friends points out the following:

- a. Rezoning R-1 land to R-2: The city has proposed rezoning 204 acres of land from R-1 to R-2, and has not rezoned any land as part of the submittal.

Finding 1.a. The Commission does not agree with this objection. The city has adopted a policy that contains an implementation measure through the MGMUP (pp. 5-19) to rezone land from R-1 to R-2 on slope-constrained land. As 1000 Friends points out, Goal 2 states that the plan shall be the basis for specific implementation measures. Therefore, the plan contains specific implementation measures that increase land use efficiency, in accordance with the requirements of Goal 14, Factor 4, by reducing the amount of acreage needed by some 38 acres. Consistent with the directive of this LCDC Order, and the city's requested amendment to its periodic review work program, lands within the West Hills will be rezoned.

- b. Rezoning R-1 land to R-3, R-4, and R-5: The MGMUP is based on rezoning and presently designated R-1 to higher-density zones in the Grandhaven and Northwest McMinnville areas.

Finding 1.b. The Commission does not agree with this objection. The city has generally identified lands to be rezoned to medium- and high-density residential. Again, the plan forms the basis for the implementation measures in the MGMUP. The areas referenced are generally located in the NAC Overlays, and are subject to future refinement planning, at which time the factors identified to institute the increased density can take place.

- c. Transit Corridors: The plan identifies transit corridors and identifies parcels that could support transit-oriented development, but does not rezone them.

Finding 1.c. The Commission does not agree with this objection. The city found that, given the existing development patterns and amount of vacant and redevelopable land within these corridors, that the ability to achieve densities supportive of transit was not possible. Therefore, the city did not rezone the parcels identified for possible higher density housing, but adopted policies encouraging such action in the future. Assessment of their impact on the city's transportation system would occur as part of this action, consistent with Goal 12 requirements.

- d. Multi-family zone (R-5): The city created this new high-density zone but has not applied it to any property.

Finding 1.d. The Commission does not agree with this objection. 1000 Friends contends that not applying the R-5 zone violates ORS 197.296(9), which says, in part, "the local government, shall, as a minimum, ensure that land zoned for needed housing is in locations appropriate for the housing types..." Plan Policy 71.12 states that the R-5 zone should be applied to lands within Neighborhood Activity Centers and to lands within existing or planned transit corridors. The planning and implementation of NACs has, by policy (see Ord. 4841, Section 2, Plan Policy 187.00, as amended), been deferred to a time in the future when funding is available to carry out such master planning. Also, the MGMUP plans for all of the R-5 zoned land (38 acres) to occur on land outside the current UGB (see pages B-14 and B-15, Tables 10 and 11, respectively).

Objection 2: The definitions of low-, medium-, and high-density residential development within the MGMUP and its implementing ordinances are internally inconsistent, inconsistent with regard to minimum lot sizes and the types of residential products found in the city, and inconsistent with the city's housing needs analysis.

Finding 2. The Commission does not agree with this objection. In response to the comments from the department, the city has revised the definitions for low-, medium- and high-density housing as follows.

The MGMUP adopted in 2003 included Policy 71.09, which stated:

Medium-Density Residential (R-3 and R-4) – The majority of residential lands are planned to develop at medium density range (4–8 dwelling units per net acre.) Medium density residential development uses include small lot single-family detached uses, single family attached units, duplexes and triplexes, and townhouses.

The city has amended this definition to read:

Medium-Density Residential (R3 and R-4)- Medium density residential development should be limited to the following:

- Areas that are not committed to low-density development;

- Areas that have direct access from collector or arterial streets;
- Areas that are not subject to development limitations such as topography, flooding, or poor drainage;
- Areas where the existing facilities have the capacity for additional development;
- Areas within one-half mile of existing or planned public transportation;
- Areas that can be buffered from low density residential areas in order to maximize the privacy of established low density residential areas; and
- Areas within one-quarter mile from a designated neighborhood activity or focus area. (Ord. 4840, p. 4)

The city also amended plan policy 71.11. The version adopted in 2003 read:

High-Density Residential (R-5) – High density residential contains housing at densities of anywhere from 8 to 30 units per acre, depending on where the high-density dwellings are located (the highest densities being in the downtown commercial core). Typical uses include townhouses, condominiums, and apartments.

The city's adopted decision amends the policy to read:

High-Density Residential (R-5) – High density residential housing includes townhouses, condominiums, and apartments, with the highest densities being in the downtown commercial core.

1000 Friends asserts that these amendments create conflicts within the plan. The Commission finds that although the policies have been amended, the mention of these residential terms elsewhere in the plan, including MGMUP pp. 7-24 and 7-25, do not create an internal conflict. For instance, the inclusion of the original definitions in the MGMUP provide certain refinements that include density ranges as well as housing product types. Ultimately, the zoning designations determine both the density and the permitted housing types.

Further, 1000 Friends asserts that Policy 71.09 as adopted in 2003 MGMUP stated that the majority of residential lands in McMinnville are planned to develop at medium density range, and that the actual zoning regulations failed to implement this policy since the vast majority of residential lands in McMinnville are actually planned and zoned for low-density development in the R-1 and R-2 zones. According to Table 8 of the MGMUP (p. B-10), the city plans for 1,053 acres of housing development in McMinnville between 2003 and 2023. Of these 1,053 acres, 669 acres—about 64 percent—are in the R-1 and R-2 zones. Only 313 acres—less than 30 percent—are in the city's medium density zones (R-3 and R-4).

The Commission disagrees with this portion of the objection for two reasons:

First, Table 8 of the MGMUP (p. B-10) displays the "Need forecast of housing, land need (gross acres), and needed density by zoning and housing type, 2003-2023." It is not a

table that actually plans or rezones land, but rather considers the housing type and land need.

Second, the city considers medium-density zoning to be 4-8 units/acre (MGMUP p. 7-24 and 7-25). If 1000 Friends asserts that Table 8 contains planning and zoning directives, then the total amount of acreage that is actually identified between 4 and 8 units/acre is 620 acres out of 1053 acres of the projected need, a majority of the land. This is consistent with the statement contained in the MGMUP.

Objection 3: The city amended the plan in a manner that reduces residential land need but has failed to adopt a corresponding reduction in the size of the UGB expansion.

- a. 1000 Friends states that the adoption of the revised policies relating to the expansion of the width of the corridor from 1,000 feet to 2,640 feet requires the city to further reduce the amount of land included in the proposed UGB. This is based on the fact that there was a 15.79-acre reduction in land need when increased density is directed to 1,000-foot transit corridors (MGMUP, p. 7-28). 1000 Friends states there should be an additional reduction based on the fact that the transit corridors have increased by 264 percent in area.

Finding 3.a. As the city noted in Ord. 4840, p. 8, the city has identified only three additional parcels that could be rezoned to higher densities, and that since 2003, five of the six parcels identified for rezoning within the 1,000-foot transit corridor have since developed. Therefore, it is unreasonable to require the city to decrease the amount of acreage in the UGB beyond the 15.79 acre reduction already accounted for, given the limited opportunities for increasing densities on existing parcels. Further, irrespective of the amount of land that may be available for higher density housing, this doesn't change the land needs analysis and the amount of such housing required over the planning period. The city finds, and the Commission agrees, that needed high density housing can be accommodated within the planned NACs, and as otherwise dictated by plan policy.

- b. 1000 Friends argues that the revisions to policies that change targeted densities of 7.5 units per acre to a minimum of 7.5 units per acre and allowing for higher density housing within one-quarter mile of activity centers and neighborhood and general shopping areas within NACs instead of the previous one-eighth mile will increase the overall densities within NACs and the city as a whole, therefore mandating a revised residential land need calculation and corresponding reduction in the size of the UGB expansion.

Finding 3.b. The Commission finds that the amendments serve to reinforce the NAC policies with respect to higher densities closer to the focus areas and within one-quarter mile of activity centers and shopping areas. There is no evidence that the policy revisions will increase density to the extent that a revision of the residential land needs or corresponding reduction in the UGB is warranted. For this to be a valid strategy, it would be necessary to either: disassociate the housing needs projection from what is provided for by the city, which would occur only in violation of statute; or demonstrate that the housing needs analysis is incorrect, which did not occur.

Summary Finding 3. The Commission does not agree with this objection. Contrary to 1000 Friends' claim, the city has calculated the reduced land need via the efficiency measures contained in the MGMUP, the city has adopted additional efficiency measures to increase planned residential density from 5.9 to 7.2 dwellings per acre (MGMUP, p. 5-24), reduce gross land need by 225 acres (MGMUP, p. 5-26), and employ measures to increase residential land capacity (MGMUP, p. 7-28). These measures include planning for neighborhood activity centers and transit corridors. Based on these efficiency measures, the city has adequately maximized efficiency under Goal 14, Factor 4.

Objection 4: The city's amendments to plan Policy 188.03 fail to resolve internal inconsistencies within the plan and establish a guideline calling for inefficient use of urban land.

Finding 4. The Commission does not agree with this objection. The city has attempted to ensure and strengthen its policies related to transit corridors and NACs. Policy 188.03 states that high density housing *should not* radiate out farther than one-eighth mile from the edge of a focus area. This does not *preclude* the location of high-density housing further than one-eighth mile from the edge of the focus area. The basis for the arrangement of land uses in the NACs is to ensure higher density housing support areas radiating out from the focus areas. Policy 90.00 (MGMUP, p. D-10), reinforces Policy 188.03 by stating, "Greater residential densities shall be encouraged to locate within one-quarter mile from neighborhood and general commercial shopping centers, within neighborhood activity centers. . ."

The department formerly recommended remand to amend Policy 188.03, but upon further consideration, the Commission finds that the inclusion of Policy 188.03 in its current form to be acceptable, and that it serves to reinforce a more finite arrangement of land uses in the NACs. Furthermore, the Commission does not believe that Policy 188.03, when taken with the other guidelines and policies related to NACs, promulgates the inefficient use of land.

Objection 5: The city has rejected reasonable measures that would result in more efficient use of urban land.

Finding 5. The Commission does not agree with this objection. 1000 Friends argues that Goal 14, Factor 4, "Maximum Efficiency;" ORS 197.732(1)(c)(B); Goal 2, Part II(c)(2); OAR 660-04-020(2)(b)); and ORS 197.296 require the city to adopt measures to increase the efficiency in the use of land and, thereby, reduce the amount of farm or forest land needed for urban use. Also, the objection compares McMinnville with other cities.

While all of these statutes and rules speak to efficiency in the use of land, only ORS 197.296 gives specific direction to local governments on how to plan for the mix and density of residential uses for a UGB amendment. Because this statute provides specific direction, a city is only required to maximize efficiency or accommodate residential uses within the existing UGB to the extent necessary to comply with ORS 197.296.

ORS 197.296 requires a city to compare the residential mix and density that have actually occurred and the mix and density determined in a housing needs analysis. If the actual

density is different from that which is needed, the city is required to adopt measures to increase the likelihood that the needed mix and density will be achieved. A comparison with other jurisdictions or a showing that additional measures could increase efficiency are not required to respond to the statute. For residential uses, the analysis need only be based on a comparison of housing needs and the actual mix and density of housing in McMinnville, unless data from a wider geographic area is more accurate, complete, and reliable. The objection has not demonstrated that the data the city collected within its own UGB is not sufficiently accurate, complete, and reliable to be used as the basis for the city's decision.

Also, the city has considered numerous measures to maximize efficiency. The city had already adopted nine measures to improve efficiency, including allowing flag lots and "skinny" streets (Plan, pp. 5-2 through 5-8). Further, the city has adopted additional efficiency measures to increase planned residential density from 5.9 to 7.2 dwellings per acre (MGMUP, p. 5-24), reduce gross land need by 225 acres (MGMUP, p. 5-26), and employ measures to increase residential land capacity (MGMUP, p. 7-28). These measures include planning for neighborhood activity centers and transit corridors. Based on these efficiency measures, the city has adequately maximized efficiency under Goal 14, Factor 4.

1000 Friends also states that the city could implement additional measures to increase land use efficiency. However as stated above, the city has considered and implemented a number of measures to increase efficiency, and considering additional measures is not required by the statute.

Objection 6: Plan Policy 188.05 allocates an excessive amount of land for the projected built commercial and office space in neighborhood activity centers.

Finding 6. The Commission does not agree with this objection. Goals 2 and 14 require the city to adopt a plan and implementing regulations that are consistent and that use land efficiently. 1000 Friends argues that this plan policy calls for a very large amount of land for the projected amount of built employment space within NACs and therefore fails comply with these goals.

Plan Policy 188.05 (MGMUP, p. D-20) calls for 5 to 10 acres of land in each NAC to accommodate 50,000 to 100,000 square feet of retail floor space and an additional 2.5 to 10 acres to accommodate 25,000 to 100,000 square feet of office. These translate into floor area ratios of 0.23.

Policy 188.05 is a guideline that describes the ranges of land (in acres) and floor space for commercial, office, and institutional uses that "should" be provided and are acceptable for the NACs. Comparing the ranges of acres to the acceptable range of floor areas yields minimum and maximum floor area ratios (FARs) allowed in the NACs of 0.23 and 0.46, respectively.

The Commission disagrees that the commercial and office FARs are necessarily inconsistent with the stated purposes of the NACs or that the city needs to provide a more detailed explanation of this policy. As noted in the staff report, the NACs are a creation

of the city rather than the statewide planning goals, rules, or statutes. Therefore, the city is afforded considerable deference in terms of defining the characteristics of the NACs. While the city may express the desire for the NACs to be pedestrian- and transit-friendly, this policy is the city's expression of the range and intensities of uses the city anticipates is necessary in order to carry out the plan.

While 1000 Friends correctly notes that FARs of about 0.23 are relatively auto-oriented, outside of downtown areas, average intensities of about 0.25 FAR for retail uses and 0.35 FAR for office uses are not typically exceeded in most small- to medium-sized communities, including those served by feeder bus service. In addition, FARs are not the most important or effective tool to accomplishing pedestrian- and transit-oriented development in most small- to medium-sized cities such as McMinnville. While higher FARs than the city's minimum of 0.23 are desirable, design standards regarding the location and orientation of buildings and entrances, clustering buildings, and assuring safe, convenient, and direct pedestrian circulation are more important factors than regulating FARs. The city has adopted policies guiding the arrangement of commercial uses within NACs to be pedestrian-oriented and transit supportive.

Objection 7: The city has over-allocated land for commercial and office employment uses.

Finding 7. The Commission does not agree with this objection. The city has revised its Economic Opportunities Analysis (Ord. 4840, Exhibit B) to demonstrate that the *actual* employee per acre ratios are substantially lower than previously indicated in the MGMUP. Actual ratios are 18.4 employees per net acre for commercial and 3.6 employees per net acre for industrial (Ord. 4840, Exhibit B, Table 4). The city found that the use of the proposed employee per acre ratios will encourage future commercial and industrial development to occur at higher densities. The city has also found that the proposed densities for employment uses will increase by at least 50 percent over actual and historic densities. Additionally, the city has found that approximately 18 percent of future employment will be accommodated through exiting expansions or redevelopment of existing sites (Ord. 4840, Exhibit B, p. 5, Tables 6-2 and 6-3).

The city estimates that it will need 173.6 acres of vacant land to accommodate the need for commercial and office uses, 175.6 acres for industrial, and 20.4 for public uses (Ord. 4840, Exhibit B, p. 5, Table 6-4). The department finds that the assumptions and conclusions are reasonable and supported by substantial evidence.

Objection 8: The city has not justified the amount of buildable land included in the UGB expansion for parks, nor adequately considered the impact of shared facilities on needed park acreage.

- a. Amount of Buildable land included in the UGB expansion for parks: 1000 Friends objects to the amount of park land being proposed, lack of funding mechanisms for acquiring parkland, and inclusion of additional lands for linear parks/trails.

Finding 8.a. The Commission does not agree with this objection. The city has an adopted a Parks Master Plan that contains standards for community, greenway/natural area, and

neighborhood parks. The city has estimated its park need based upon these standards (MGMUP, Table 23). The results of that analysis yield a projected need for 314 acres for the three types of parks mentioned above.

The city found that three community parks have lands within the 100-year floodplain, of which approximately 52 percent of the total land area is constrained by floodplain. Furthermore, the city found that it is fiscally unsound, environmentally irresponsible, and not in the best interests of its citizens to locate future community parks in the floodplain. Additionally, the city found that planned parks may not be located near floodplains due to the projected direction and location of future growth.

The city has adopted a new plan policy (Ord. 4840, p. 4) that states future community and neighborhood parks must be located above the boundary of the 100-year floodplain. The city currently has a bond in place to acquire and develop parkland. While 1000 Friends points out that the city has only acquired 20 acres for parks in the last six years, there is an adequate factual base to conclude that the park need projection is viable, and that the city has a reasonable ability, through the bond measure, SDCs, and other sources identified in the City's adopted Parks Master Plan, to provide funding for the parks.

According to the city, it has not included lands for linear parks, special use parks, mini-parks, or trails and connectors as part of this submittal since no projections were provided in the Parks Master Plan, and therefore, no land was included specifically for these park types.

- b. Shared facilities: The issue of sharing parks facilities with the school district and Linfield College has been raised by 1000 Friends and objector Mark Davis as a way to reduce the land needed for parks in the UGB expansion.

Finding 8.b. The Commission does not agree with this objection. The city made findings related to sharing of facilities with the school district and Linfield College, noting that school district needs differ from the city's park needs, and that the location of the Linfield College facilities are in an area of the city already served by other parks (Ord. 4840, p. 10-11). 1000 Friends pointed out that the City of Woodburn has assumed a 50 percent reduction in parkland needs due to shared facilities. That may be the case, but the facts and circumstances of parks in Woodburn and McMinnville are different.

Objection 9: The city has significantly underestimated the development capacity of the Riverside South area, which is now within the city's acknowledged UGB.

Finding 9. The Commission does not agree with this objection. 1000 Friends argues that the city should achieve a density of residential development in the Riverside South exception area greater than the planned 4.3 dwellings per gross acre (MGMUP, Table 16, p. 7-28). The Commission does not agree. It is to be expected that the density achieved in exception areas will be less than what would be achieved on large parcels. The city has shown the pattern of lots and dwellings for each exception area in Appendix C. In many of these areas, the pattern of small lots means that future development will occur through partitions rather than the more efficient subdivision process which is possible where there are larger parcels to divide. Also, the placement of dwellings may make it difficult to

locate an efficient pattern of residential streets and infrastructure. The subarea is proposed to develop at a density of 4.3 dwelling units per acre, for a total of 552 dwelling units. This is a reasonable density projection given the nature of exception areas explained above, as well as the factors affecting urbanization of this subarea identified by the city (C-65 thru C-70). Further, when the Commission approved the inclusion of this subarea into the McMinnville UGB, it was acknowledged for a specific land use and an assumed density.

Objection 10: The city has underestimated the development capacity of the Redmond Hill and Fox Farm areas, which are now within the city's acknowledged UGB.

Finding 10. The department does not agree with this objection. 1000 Friends argues that the city should achieve a density of residential development in the Redmond Hill and Fox Farms exception areas greater than the planned 3.5 dwellings per gross acre (MGMUP, Table 16, p. 7-28). The department does not agree. It is to be expected that the density achieved in exception areas will be less than what would be achieved on large parcels of flat land. The city has shown the pattern of lots and dwellings for these exception areas in Appendix C. In these areas, the pattern of small lots means that future development will occur through partitions rather than the more efficient subdivision process which is possible where there are larger parcels to divide. Also, the placement of dwellings may make it difficult to locate an efficient pattern of residential streets and infrastructure. The Redmond Hill Road exception area is also limited by slope factors in the northeast and southwest portions of the area (Appendix C, Fig. 62).

Objection 11. The city has failed to account for a UGB expansion made since 2003 outside the MGMUP process.

Finding 11. The Commission does not agree with this objection. In 2004, McMinnville expanded its UGB to include 35 commercially zoned acres for future expansion of the Evergreen Air Museum. The UGB was expanded through the post-acknowledgment plan amendment process. 1000 Friends argues that the city's current submittal does not address the impact of this 35-acre UGB expansion on the amount of land in the existing UGB or the impact, if any, on the amount additional land needed for future employment growth.

As part of the UGB expansion to include the Evergreen Aviation Museum land, uses were generally limited to those that serve the existing museum. The fact that the UGB was amended for the narrow and specific purpose of the museum expansion, and would not be providing additional general commercial or office space, does not affect the employment lands needs contained in the current UGB proposal.

Objection 12: McMinnville's UGB expansion includes prime farmland instead of higher-priority exception areas and areas of poorer soils. For several expansion areas the city has not analyzed the compatibility of proposed uses with nearby farm and forest activity.

Finding 12. The Commission does not agree with this objection.

a. *Excluded exception areas.* The city did not include these areas in the UGB because it determined that they could not accommodate the identified land need (MGMUP, pp. 6-5 to 6-10) based on:

- Physical constraints;
- Location relative to existing and planned facilities;
- Location relative to surrounding uses;
- Location relative to market demand; and
- Existing development patterns and other factors affecting urbanization.

These areas are mapped at Findings, Map 1 and the city provides additional information about each area in Appendix "C," and subsequent amendments to this appendix:

- Westside Road
- Bunn's Village
- Riverside North
- Booth Bend Road
- Old Sheridan Road

Westside Road. The city states that the area is unlikely to develop with urban uses in the planning period, the southernmost property owner does not want to annex, and the city does not have a need for more land for low-density housing. This is a small exception area that lies between a creek and a county road designated as a major collector. The city excluded this area from the UGB, based on substantial evidence that the area cannot reasonably be served with local streets. This satisfies the standard in ORS 197.298(3)(b) to exclude the area.

The city's maps in Appendix C show that the pattern of lot lines and buildings in this small area make it infeasible to find a route for a local street to serve the area. The creek, although not an absolute barrier, is a factor that increases the cost of serving the area and would require the construction of a bridge to connect to other areas to the east. The other small "strips and patches" of exception land adjacent to the county major collector cannot reasonably accommodate urban uses. As the city points out, lack of a local street in this area would necessitate more driveway access onto the major collector. A setback from the right-of-way to provide a buffer would further reduce the already small number of homes this area could accommodate. Because of its small size, pattern of existing development and the land use conflict with the adjacent highway, the area cannot reasonably accommodate urban uses and cannot reasonably be served with local streets. The city is justified to exclude it from the UGB.

Bunn's Village. The city's reasons for excluding this area are documented in Appendix C, pp. C-19 through C-40. The department agrees with the city that this area should be excluded from the UGB for two reasons.

First, this area cannot reasonably accommodate the need for pedestrian- and transit-oriented development in a neighborhood activity center. Although the area has 126 gross acres of buildable land, it extends in a linear fashion, across the North Yamhill River, along Highway 99W, and then along Hawn Creek (Appendix C, Figure 10). The linear

configuration of this area does not lend itself to development of a walkable community without bringing in adjacent resource land. The commercial area of Bunn's Village is located in the middle of two halves of the state highway that form a couplet. The highway makes this commercial area virtually inaccessible for pedestrians. To make this area pedestrian-friendly would require that speeds on the highway be reduced and stoplights be installed, severely impacting the function of the highway.

Second, the Commission agrees that this area cannot reasonably be served with streets, water and sewers because of the separation from the remainder of the city caused by a floodplain and the negative impact of the state highway. Extensive development in this area would require major upgrades to Highway 99. ODOT has stated its opposition to the inclusion of this area in the UGB. Allowing development to occur in an area that is wholly dependent on the state highway for access to the remainder of the city is not a good planning practice or precedent. If this area were to develop, the city would need to provide alternate local street connections to the remainder of the city rather than rely on just the state highway. Providing alternate street connections is not reasonable since each connection would require a bridge crossing of the river and floodplain. Also, there are already traffic problems where Highway 99 splits into a couplet; these problems would be magnified should additional development occur.

For these reasons, services cannot reasonably be provided to this area and it fails the test under ORS 197.298(3)(b). In addition to the cost of extending water and sewer lines up to 2.8 miles, the cost of crossing the river and the highway makes this area unreasonable to serve, when compared to other areas.

Riverside North. The Commission agrees with the city that this area cannot reasonably accommodate residential use because of the noise and odor associated with the adjacent sewage treatment plant, industrial use, and railroad. This location is not suitable for residential use. The area could accommodate industrial use when the city has a need.

Booth Bend Road. The Commission agrees with the city's decision to exclude this area from the UGB. Service can be provided to this area since the extension of Booth Bend Road across Highway 18 already exists and would not need to be upgraded to a large extent to support a relatively minor amount of infill development (or at least the findings do not state otherwise). However, this area is problematic since it would be an isolated extension of the UGB across the highway, making walking to nearby destinations difficult. This is consistent with the decision the Commission made regarding the City of North Plains. This exception area cannot reasonably accommodate the need for a compact, pedestrian-friendly urban area.

Old Sheridan Road. The department agrees with the city's findings that transportation facilities cannot reasonably be provided to this area under ORS 197.298(3)(b). As stated in Appendix "C" of the MGMUP, Old Sheridan Road, which borders the sub-area along its western edge, is designated in both the Yamhill County "Transportation System Plan" and the McMinnville "Transportation Master Plan" as a minor arterial street. The Oregon Department of Transportation (ODOT) classifies Oregon Highway 18, which borders this sub-area along its entire eastern edge, as a Limited Access Highway. The significance of

this designation is that direct access to the sub-area from Highway 18 will not be granted by ODOT (Attachment 1).

b. **Excluded resource areas.** In its review of the MGMUP in March and April of 2004, DLCD concluded that the city's analysis was deficient and recommended to the Commission that additional work be done to support the prior decisions relative to which resource lands should be included—or excluded—from the proposed urban growth boundary. Specifically, the DLCD recommended the following:

Using maps provided by the US Natural Resource Conservation Service and the Oregon Department of Agriculture, identify areas with class 3 and 4 agricultural soils and either (1) include them in the UGB instead of areas with class 1 and 2 soils, if any, or (2) explain why they should not be included based on the standards in ORS 197.298(3). Areas with class III and IV soils east of the airport are excluded from this requirement.

Consistent with this recommendation, the city mapped areas surrounding the McMinnville urban area, extending outward a distance of one mile from its 1981 urban growth boundary, for the purpose of identifying the existence and location of soils rated by the Natural Resource Conservation Service as Class III through Class VIII. Under ORS 197.298 and Goal 14, if the UGB is amended to include resource lands, it must first look to land of lower capability soils and only include more productive soils if identified land needs cannot be reasonably accommodated. The objections focus on the following areas:

West Hills: The hills west of McMinnville are steeply sloped, and marked by several ravines that cross through the area. The area is largely vacant any physical development, covered in native grasses and trees, and has a history of primarily forest related use (tree farms, open space). Generally, agricultural soils within this area decrease in quality (from Class III to Class VIII) the greater the distance west of the current McMinnville UGB.

Topographically, there exists to the immediate north, west and south of the current urban growth boundary a wide band of steeply sloping land that forms a crescent touching on the Fox Ridge Road at its northern tip and the Redmond Hill Road area to the south. Slopes within this crescent shaped area are 25 percent and greater. The city found that the lower West Hills area to the south contained approximately 200 acres of Class III soils, but was not included in the UGB for a variety of reasons.

Water: As discussed elsewhere in the MGMUP, McMinnville's current water distribution system is designed as a single-level pressure system that can only provide service to those properties situated below 275 feet in elevation. The West Hills area west of the UGB has an elevation of approximately 300 to 560 feet and sits entirely above the current water service level. The McMinnville Water & Light Water Master Plan indicates future construction of an additional pressure zone system that could provide water service up to a high elevation of 415 feet; this elevation occurs at roughly the mid-point of the Class III soils in the West Hills area.

Transportation: Two public streets stub to the existing UGB at the east edge of the West Hills area: Fox Ridge Road at the north terminates in a series of private driveways and easements serving residences on acreages; Redmond Hill Road at the south is a public street all the way through to its existing stub at the urban growth boundary. For development to occur in the West Hills area west of the current urban growth boundary, Redmond Hill Road could be extended, but a secondary access road would have to be created in order to provide reasonable circulation and needed emergency vehicle access. For extension of Fox Ridge Road, right-of-way dedication would have to occur either along the existing privately held driveways or along a new alignment. A third option would be the extension of West 2nd Street, which currently stubs approximately 3,000 feet to the east of the existing UGB. Extension of these streets would require expensive design and construction measures because of the relatively steep grades present across this area.

Land use compatibility: The area within the western portion of the existing urban growth boundary is above the 275-foot elevation mark for service under the existing municipal water system. To the east of that elevation, the area is rapidly undergoing development with low-density single-family residential subdivisions. Preliminary indications are that this development pattern will continue. If needed medium- and high-density housing were placed in the West Hills area through westward expansion of the urban growth boundary, it would lie between low-density housing at the east and resource land at the west. From a planning perspective, this is not a logical scenario as it increases the potential for conflicts between residential uses and farm/forest resource management.

Agricultural land compatibility: The West Hills area borders farm and forestry lands to the north, west, and south. If brought into the UGB and developed with needed medium- or high-density housing, the potential for conflicts between the residential development and surrounding farming or forestry operations would increase significantly: the expansion would increase the number of dwelling units and residents adjacent to these farm and forestry operations.

Further, the bulk of the Class III soils within this portion of the West Hills are parts of larger parcels that are managed for farm or forestry uses, and comprise the best soils of those parcels; development on these soils would leave the residual parcels dominated by Class IV or lesser quality soils.

Complete neighborhoods: The Class III soils adjacent to the existing UGB at the west edge of McMinnville are concentrated outside the boundaries of the nearest NAC. Development of medium- to high-density housing in this area would create a "satellite" area extending out into the resource land areas.

In accordance with ORS 197.298(3)(a), (b), and (c), the city concludes that the concentration of Class III soils within the West Hills area adjacent to the existing westerly urban growth boundary are inadequate to accommodate the specific types of land needs identified in the MGMUP, for the reasons cited above. Accordingly, the city has not included these lands within its expanded UGB.

1000 Friends objects to the exclusion of this area based on the fact that the city erred in

its findings and that the area can accommodate specific types of land needs outlined in the MGMUP. Specifically, that this higher priority area can accommodate low-, medium-, or high density housing even with the constraints of slope, water service costs, transportation difficulties, and should therefore be included. The department does not agree, as the city has identified a specific need, namely medium- and high-density housing and that this location is outside the planned NAC, creating a satellite with no pedestrian access to shopping or other commercial services.

West Hills (north of Fox Ridge Road): Three parcels, which abut the existing UGB north of Fox Ridge Road, are dominated by Class III and IV soils. The westerly parcel is tax lot R4513-00100, a 94.73-acre piece owned by the Abrams family and is part of their larger farm and timber operation. The central parcel is a 16-acre portion of the larger tax lot 200, the southern portion of which is a former exception area that was approved for addition to the UGB in 2004 by LCDC. The easterly parcel is the approximately 34-acre parcel (tax lot R4418-00700, owned by Mark Smith).

Topographically, this area immediately adjacent to Hill Road is generally flat, but rises abruptly at the southwest where it merges with the foothills (the "West Hills"), which rise up to the west along Fox Ridge Road. The Class III and IV soils comprise the flat portions of the Smith parcel, and a small portion (northern edges) of the other parcels. Predominantly, these Class III and IV soils are consistent with the steeply sloped areas in the southern portions of the westerly two parcels where gradients can exceed 25 percent.

The flatter portions of these parcels have historically been farmed, although the sloped areas at the south are managed for timber production, and a small area within the unincorporated portion of tax lot 200 has been cultivated for Christmas trees. The parcels border the current UGB at the south, southwest, and east.

The abutting parcels to the southwest are within the existing McMinnville UGB and are under county jurisdiction and tend to be small acreage residential properties, with forest use and some livestock pasture. The McMinnville Water & Light reservoirs are within this cluster of parcels. At the west and to the north of the central parcel are additional parcels within the Abrams farm operation. At the north, tax lot 701 is a 42-acre piece, which was approved in 2004 for inclusion in the UGB; this parcel is owned by the McMinnville School District No. 40 and is slated as a future high school site.

For the reasons discussed below, the city finds that tax lot R4418-00700 (Smith parcel) is appropriate for use in satisfying the identified residential land needs, but the city finds that the northern portion of tax lot R4418-00200 and the entirety of tax lot R4513-00100 are inappropriate for satisfying future land needs.

Land use compatibility: Tax lot 700 lies between low-density residential housing to the south and southwest and a future high school site to the north. Because this parcel abuts the school property, it would be ideal for medium- to high-density residential development, which would also provide a reasonable transition between the school and the low-density development to the south/southwest. In addition, medium-density residential development on this parcel would be consistent with ongoing development on

the east side of Hill Road, which includes a future elementary school site and a mixture of medium- and low-density residential development.

Agricultural land compatibility: Tax lot 700, if brought into the UGB, would be bordered by actively farmed land (the northern portion of tax lot 200) along an approximately 350-foot length of its western boundary, but would otherwise abut the school site at the north, Hill Road at the east, Fox Ridge Road at the south, and the UGB at the southwest. Development of tax lot 700 would remove farmland from production. The city believes there is more likelihood of conflicts between urban and farm uses if tax lot 700 is left as agricultural land. The preliminary plans for the future high school site indicate that the westerly portion will be used for outdoor activities and athletic events; these uses can provide a buffer between agricultural activities to the west and north and residential development on tax lot 700.

If the northern portion of tax lot 200 was brought into the UGB, it would abut the agricultural tax lot 100 at the west for a distance of approximately 1,100 feet, and tax lot 1000 at the north for about 500 feet. Although the southern portion of this piece of land would be unlikely to develop due to the steepness of the slopes, the northern portion could develop, resulting in a "prong" of residential development between the agricultural uses to the north and west, and the school property at the east.

Tax lot 100, if brought into the urban growth boundary, would be bordered by actively farmed land on two sides and along a portion of a third. This would leave an island of farm parcels bordered by the school property at the south, residential development at the southwest and west, Hill Road at the east, and Baker Creek Road at the north. This would also cut off tax lots R4418-1000 and 1100, also owned by the Abrams family, from the remaining portions of the farm operation.

Complete neighborhoods: Tax lot 700 lies within the preliminary boundaries of the Northwest NAC. As discussed elsewhere in this document, NACs are intended to provide medium- and high-density housing close to neighborhood-scale commercial development and transit corridors, because low-density housing needs are already met within the existing urban growth boundary. Hill Road is designated as a transit corridor and planned transit route in the MGMUP; since tax lot 700 abuts Hill Road at the east; this provides an excellent opportunity to plan for development that can take full advantage of transit opportunities. The NAC plan in the MGMUP (Figure 8) calls for medium-density (R-3 and R-4) residential development on tax lot 700; the city stands by this recommendation.

Tax lot 100 and the northern portion of tax lot 200 also lie within the Northwestern NAC boundaries. However, the city now finds that these two properties should be excluded from the UGB and the NAC because they will have limited connectivity with Hill Road and with development of tax lot 700 (absent the addition of other lands to the north and west, as proposed in the 2003 MGMUP); the steep slopes in the southern portions of these two properties leave only perhaps a 200-foot wide buildable corridor extending across tax lots 100, 200, and 700. Although such a corridor could potentially be developed with a 60-foot wide local street right-of-way lined by homes on each side, the city finds that this would be an inefficient use of tax lots 200 and 100. Since the street

could not make a connection to the north, it would have to be designed as a dead-end street, which would be an inefficient system.

For the reasons cited above, the city concludes that specific types of land needs as identified in the MGMUP cannot be reasonably accommodated by the areas of Class III and Class IV soils within tax lot R4513-00100 or the northern portion of tax lot R4418-00200. The city, therefore, has not included these lands in its expanded UGB, as permitted by ORS 197.298(3)(a).

However, the city also concludes that identified residential land needs can be accommodated by tax lot R4418-00700, which is predominately Class III and Class IV soils. The city, therefore, recommends its inclusion into the expanded UGB.

1000 Friends objects to the exclusion of tax lot 100, the northern portion of tax lot 200, and land west of tax lot 100 from the proposed UGB, arguing that these lands can reasonably accommodate identified needs. 1000 Friends also takes issue with the city's position that Class III and IV soils comprise a "small portion" of tax lots 100 and 200, predominately in the steeper portions where grades exceed 25 percent (Exhibit A, Amendment to findings, p. 9). Instead, 1000 Friends argues that the city has drawn the wrong conclusion, and that the taxlots are actually comprised primarily of Class III and IV soils.

The Commission agrees with the city, in that the excluded lots will have limited future connectivity, are constrained by slope that leaves a limited building corridor, and would create an island of agricultural activity and cut off tax lots 1100 and 1000 from existing farm operations.

Lands North of Olde Stone Village: To the immediate north of Olde Stone Village, a manufactured home park constructed in the mid-1980's, are two parcels predominantly composed of Class III soils. These parcels are identified as tax lots R4414-03601 and R4423-00400 and total approximately 197 acres. Topographically, this land is relatively flat and is absent any physical development. The properties are owned by Evergreen Agricultural Enterprises and Dora Bansen; each property has a history of active farm use. The parcels are bordered to the north, west, and east by other lands that are actively farmed. The manufactured home park and the Evergreen Aviation Museum campus border the parcels to the south. This property borders the existing McMinnville UGB along its southern edge. This property sits immediately west of the protection zone for a runway at the McMinnville airport, a zone used to minimize incompatible development within the area critical for safe aircraft landings and departures.

Lands North of McMinnville Municipal Airport: Some 35 acres comprised of predominantly Class III soils lay to the north of the airport, south of the Evergreen Aviation Museum property, and west of Olde Stone Village. The property is owned by Evergreen Agricultural Enterprises and is actively farmed. Cirrus Avenue terminates at the site's southwest corner; no other improvements are found within the site.

Lands East of McMinnville Municipal Airport: An area of Class IV soils, which are surrounded by Class II soils, lays east of the airport. This land is actively farmed and borders the McMinnville city limits and urban growth boundary to the west.

For the following reasons, the city finds that the three above-described areas near the airport are inappropriate for use in satisfying the identified residential and commercial land needs. As such, they are not included in the amended UGB.

Land use compatibility: The city finds that inclusion of this land would result in further residential encroachment adjacent to the airport; some of this land is less than one-quarter mile from a runway, while other land is immediately adjacent to the airport approach zone or under the downwind leg of runway traffic. Development of these lands at urban residential densities would be incompatible with the long range plans for the airport, as described in the McMinnville Municipal Airport Master Plan, and would potentially threaten the airport's viability and ability to serve the local and regional economy. According to the McMinnville Municipal Airport Master Plan, updated December 2004, aircraft operations are forecast to increase from 65,961 (2003 levels) to 109,440 by the year 2023.

Safety: The city finds that aircraft on the downwind leg of Runway 4 fly directly over the subject land. Placing residential development on this property would potentially jeopardize the safety of those on the ground and pilots and passengers in the aircraft (need for open space in which to land in the event of emergency). In addition, noise from such aircraft operations would not be conducive to residential development within the subject site. This property is also immediately adjacent to the airport approach zone for Runway 17. Limiting development within the zone, and on lands adjacent to it, is critical for safe operation of the airport.

Agricultural land compatibility: This land, if brought into the UGB, would be bordered by actively farmed land on three of its four sides. Its inclusion would also increase the perimeter of land that would be in direct proximity to farmed land.

Complete neighborhoods: The cornerstone of the MGMUP is the creation of complete neighborhoods that are achieved through the implementation of NACs. Densities within these centers are expected to be higher than historically realized in McMinnville and would include higher percentages of multi-family housing. To address safety concerns, higher density housing is not an appropriate use for the subject site.

For the above noted reasons, the city concludes that specific types of land needs as identified in the MGMUP cannot be reasonably accommodated on the lands north and east of the McMinnville Municipal Airport, notwithstanding its predominantly Class III and IV soils. The city, therefore, has not included these lands in its expanded UGB, as permitted by ORS 197.298(3)(a).

1000 Friends objects to the exclusion of the areas north and east of the airport, in particular an area that they claim was not examined, located between the Evergreen Air Museum and Olde Stone Village. The city did include this area in their Alternative Lands discussion of the East area (p. 6-8, Fig. 1). The Commission agrees with the city in that

the area cannot reasonably accommodate an identified need, namely medium- and high-density residential development, due to safety issues related to the airport, and can therefore be excluded in accordance with ORS 197.298(3)(a).

Riverside Resource Area: 1000 Friends states that there is an area of resource land with Class III and IV soils located between the Riverside North and Riverside South exception areas that was not considered or even analyzed by the city. The area consists of two large parcels: the westerly parcel contains the city's water reclamation facility (sewer plant), and the easterly parcel is identified as a future reclamation facility expansion site. This being the case, the area cannot reasonably accommodate residential uses, and can be excluded.

c. Included resource areas. The following resource areas are included in the proposed UGB, and are considered problematic by 1000 Friends:

Three Mile Lane: The Three Mile Lane subarea is located south of McMinnville across Highway 18, and, with the exception of the Lawson Lane exception area (also proposed for inclusion into the UGB), encompasses all of the land south of Highway 18, east and north of the South Yamhill River floodplain, and south and west of the existing UGB. The McMinnville Municipal Airport is adjacent to the southeast corner of the subarea. The land in the subarea is primarily in farm use. Soils within this subarea are primarily Class II with a small area of Class I extending east from the Lawson Lane exception area. The Three Mile Lane subarea is proposed as one of the four NACs upon annexation.

1000 Friends has four objections related to the inclusion of the Three Mile Lane subarea:

1. Goal 14 requires the city to consider the compatibility of urban development within the expansion area with nearby agricultural activity. 1000 Friends states that the city inadequately considered the compatibility of the proposed urban development within the subarea with nearby agricultural activity.

The Commission does not agree with this portion of the objection. The city addressed Goal 14, Factor 7, and ORS 197.732(1)(c)(D) and has found that the term "compatible" does not require that there be no interference with, or adverse impact of any kind, on adjacent uses, but rather that the uses be reasonably able to coexist. The city described the types of existing uses surrounding the subarea and the proposed uses that would take place within the subarea. In so doing, the city noted that the Three Mile Lane subarea is bordered to the south, west, and northwest by the South Yamhill River's 100-year floodplain, and to the north and east by lands currently inside the McMinnville UGB. The city found that the urbanization of this subarea would not create compatibility conflicts with resource lands, the nearest of which are some distance from the subarea's southern border (separated by the South Yamhill River and its associated floodplain). Regarding the plan's proposal to include this subarea and other resource lands, the city concluded that "the proposed expansion areas will not create compatibility conflicts between uses. Much of the existing UGB is adjacent to resource lands that are currently in agricultural uses. Expansion of the UGB would not create new uses that would create new types of compatibility issues" (MGMUP Findings, p.74). The Commission agrees with these findings and conclusions.

2. The city noted the existence of a "Weapons Training Facility" in its findings, its submittals to DLCD, and its staff memoranda. The city cited this facility in its findings as part of the justification for excluding lands with poorer soils east of the airport. The city found the facility to be incompatible with urban residential development. In addition, the city noted the issue of safety and interference of airport operations as an even greater concern. (see "Lands east of McMinnville," above.)

3. The city justified the inclusion of the Three Mile Lane area in part based on the need for an NAC in this vicinity. 1000 Friends contends that the Norton Lane subarea would be a better location for a Neighborhood Activity Center.

The Commission disagrees with this portion of the objection. The city developed the NAC concept in order to create complete neighborhoods, which contain services, commercial use, high- and medium-density housing, and the locational criteria includes distribution of these areas throughout the city. The large parcel size and vacant land provide opportunities for successful NAC creation in the Three Mile Lane subarea.

4. As detailed in earlier portions of this objection, there are exception areas and higher-priority resource areas that can reasonably accommodate identified land needs. For this reason, inclusion of the Three Mile Lane area violates Goal 14 and ORS 197.298. The department does not agree with this portion of the objection, and has addressed this issue above (see the Excluded Resource Areas and Excluded Exception Areas portions of this section).

Southwest Area: The Southwest subarea is located southwest of the existing UGB on the west side of Old Sheridan Road and on the east side of Hill Road. It is bounded on the north by a creek and urban development, Hill Road to the west, and by farmland to the south. The subarea contains 194.62 acres and is currently in agricultural use. It is comprised primarily of Class II soils with some Class III and IV soils close to the creek. 1000 Friends objects to the inclusion of this subarea based on the idea that there will be high-density housing on Hill Road as part of the NAC, and that this type of housing would create conflicts with the agricultural land to the west.

The Commission disagrees with this objection. The city refers to general arrangements of uses in the Southwest NAC, but does not state that high-density housing will be located adjacent to Hill Road (MGMUP, p. 7-18). In addition, The city addressed Goal 14, Factor 7, and ORS 197.732(1)(c)(D) and has found that the term "compatible" does not require that there be no interference with, or adverse impact of any kind, on adjacent uses, but rather that the uses be reasonably able to coexist. The city has described the types of existing uses surrounding the subarea and the proposed uses that would take place within the subarea, and in so doing, has concluded that "the proposed expansion areas will not create compatibility conflicts between uses. Much of the existing UGB is adjacent to resource lands that are currently in agricultural uses. Expansion of the UGB would not create new uses that would create new types of compatibility issues" (MGMUP Findings, p. 74).

Grandhaven and Norton Lane Areas: 1000 Friends states that, like the Three Mile Lane and Southwest area, the city has not analyzed the compatibility of proposed uses in the Grandhaven and Norton Lane areas for either the boundaries adopted in 2003 or the amended boundaries adopted in 2006. For both of these areas, the amended boundaries create unbuffered edges of over a mile with actively farmed agricultural land in an EFU zone.

The Commission does not agree with this portion of the objection. The city addressed Goal 14, Factor 7, and ORS 197.732 (1)(c)(D) and has found that the term "compatible" does not require that there be no interference with, or adverse impact of any kind, on adjacent uses, but rather that the uses be reasonably able to coexist. The city described the types of existing uses surrounding the subarea and the proposed uses that would take place within the subarea, and in so doing, concluded that "the proposed expansion areas will not create compatibility conflicts between uses. Much of the existing UGB is adjacent to resource lands that are currently in agricultural uses. Expansion of the UGB would not create new uses that would create new types of compatibility issues" (MGMUP, p.74). Specific to the Grandhaven area, it is bordered along its entire northwest, north, and east by the North Yamhill River and its associated floodplain. Resource lands are some distance beyond that border, therefore minimizing the potential for conflicts with existing or future agricultural operations. A similar situation exists with the Norton Lane area, which is bordered to the west, north, and east by the South Yamhill River and its floodplain. Resource lands exist only to the east, some distance beyond this subarea's border.

Finding 12: The Commission finds that the city has adequately justified those areas included and excluded from the UGB based on relevant criteria.

Objection 13 (mistakenly labeled 12 in 1000 Friends' letter): McMinnville's submittal is incomplete.

Finding 13. The Commission does not agree with this objection.

In 2004, LCDC remanded all portions of the MGMUP that were not explicitly approved. The Commission did not require that the city make specific changes beyond what was identified in the order. 1000 Friends contends that the current submittal includes only those portions of the plan and findings that were amended by the city and county and that neither portion of the current submittal included other remanded parts of the plan, nor is it apparent that the city or county has readopted them, either with or without changes. Ordinances 4840 and 4841 clearly identify that the MGMUP, adopted in 2003 by both the county and the city, are amended. There was no requirement to resubmit the entire package as part of the remand.

Objection 13 (mistakenly labeled 11 in 1000 Friends' letter): The city failed to comply with Goal 1 and its local plan policies that implement Goal 1 in reaching its current decision.

Finding 13. The Commission does not agree with this objection. The city's comprehensive plan requires the involvement of the Citizen Advisory Committee (CAC)

when contemplating "major" changes to the comprehensive plan text and map amendments, and changes to the UGB. The city engaged in an extensive public involvement process as part of the original 2003 UGB submittal. The majority of the 2003 submittal is still intact and the city did hold public hearings on the proposed amendments. The department does not find that the city violated its own citizen involvement process or Goal 1.

B. Mark Davis Objection

Mr. Davis argues that the city has overstated its need for buildable lands for and that park land need could be substantially reduced through the sharing of facilities with Linfield College and the local schools. This objection is similar to 1000 Friends' Objection 8 above.

Finding. The Commission does not agree with this objection.

The city has an adopted Park Master Plan that contains standards for community and neighborhood parks. The city estimated its park need based upon these standards (MGMUP, Table 23). The results of that analysis yield a projected need for 314 acres for neighborhood parks, community parks, and greenspace/natural areas.

In his objection, Mr. Davis states that approximately 30 percent of the land proposed for inclusion in the UGB is for park land, and that the city has ignored or not fully considered the use of floodplain and other "constrained" lands for parks. The city has found that three community parks have lands within the 100-year floodplain, of which approximately 52 percent of the total land area is constrained by floodplain. Furthermore, the city has found that it is fiscally unsound, environmentally irresponsible, and not in the best interests of its citizens to locate future community parks in the floodplain. Additionally, the city has found that planned parks may not be located near floodplains due to the projected direction and location of future growth. The city has adopted a new plan policy (Ord. 4840, p. 4) that states future community and neighborhood parks shall be located above the boundary of the 100-year floodplain.

As related to the sharing of parks facilities, the city has made findings related to the sharing of facilities with the school district and Linfield College, noting that the school district needs differ from the city's park needs, and that the location of the Linfield College facilities are in an area of the city that is already served by other parks (Ord. 4840, p. 10-11).

VI. CONCLUSIONS

The Commission concludes that the City of McMinnville has responded to the Commission remand in a manner that complies with Goal 14, OAR 197.296, and ORS 197.298. Specifically, the city has demonstrated that the UGB expansion is needed, that the expansion locations chosen and those passed over have been justified, and the implementation through the McMinnville Growth Management and Urbanization Plan satisfies applicable criteria.